



Steps to Set Up a Cannabis Retail Business

Before opening a business

- Learn about state and local licensing and registration requirements.
- Decide on financing.
- Write a business plan.
- Write an operations plan.

Create the business

Step	Who/Where	Jurisdiction
1. Decide on the type of business. https://dor.wa.gov/open-business/choose-ownership-structure/compare-business-structures	You and your advisors	N/A
2. Submit documents of origination.* Wait to receive a UBI. https://www.sos.wa.gov/corporations-charities	Office of the Secretary of State	State
3. Apply for a business license with a cannabis endorsement. https://dor.wa.gov/open-business What to expect: <ul style="list-style-type: none"> • When your application is received a welcome email will be sent from the LCB to inform you of the name and contact information of the license specialist assigned to your application. • The assigned licensing specialist will contact you within two business days to schedule a phone interview. • Prior to the phone interview you will receive a prequalifying email outlining information. 	Department of Revenue <i>Although the application is made through the Department of Revenue, the Liquor and Cannabis Board is the agency that reviews and issues cannabis licenses.</i>	State
4. Apply for an Employer Identification Number (EIN). https://ein-taxfiling.com/	IRS	Federal
5. File your federal Beneficial Ownership Information Report (BOI) within 30 days of registering your business. https://boiefiling.fincen.gov/	U.S. Treasury's Financial Crimes Enforcement Network (FinCEN)	Federal

*Documents of origination are not required for sole proprietorships, but the liability risks of the cannabis industry make this business structure less common.

After your business structure is established, there are many details to attend to at the local, state, and federal level. We've listed some key areas on the following page.



Get ready to pay taxes

- After you file your Business License Application, the Department of Revenue will create a taxpayer account for you and will send you more information about your tax reporting responsibilities.
- A Reseller Permit allows you to purchase items for resale without paying sales tax. Apply for a Reseller Permit from the Department of Revenue. <https://dor.wa.gov/taxes-rates/retail-sales-tax/reseller-permits>
- You will work with the Liquor and Cannabis Board to set up reporting and Cannabis Excise tax payments.
- Work with your accountant to set up payments to the IRS for federal income taxes.
- Set up accounts to pay local taxes, such as property taxes assessed at the county level.

Get ready to hire employees

Payroll is a specialized area, and it can be difficult to stay on top of changes and requirements. Because of this, many businesses contract with bookkeepers, accountants or payroll services to handle the process and required reporting.

You can learn about the requirements from the Washington Small Business Guide, including the 12 payroll reporting and tax responsibilities that employers have:

https://www.business.wa.gov/site/alias_business/878/small-business-guide--payroll.aspx

Keep the following in mind if you will have employees:

- You need to report new or rehired employees to the Department of Social and Health Services (DSHS).
- You must create a safety plan (required by the Department of Safety and Health/DOSH).

The Department of Labor & Industries (L&I) will:

- Automatically set up your Workers' Compensation Account.
- Provide you with more information within 14 business days

Employment Security (ESD) will:

- Automatically set up your Unemployment Insurance Account.
- Provide you with more information within 14 business days.